

***Canadianwide Properties Limited***

MARVIN KRATTER, KRATTER CORP.

REPORT FOR THE YEAR ENDED DECEMBER 31, 1966

# ***Canadianwide Properties Limited***

## **Report from the Chairman of the Board**

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April 24, 1967.

To all Shareholders:

We take pleasure in submitting the Annual Report of the Company for the fiscal year ended December 31, 1966, together with the financial statements and the Auditor's Report thereon.

The 1966 fiscal year marked the construction and substantial leasing of a major addition to the Company's shopping centre project at Yonge Street and Steeles Avenue. Developments are described in more detail hereunder.

### **THORNCLIFFE PARK**

During 1966 the Company continued its policy of selling land to others for development by them with the object of creating a large working and living population in Thorncliffe Park and thereby generating additional new business for the Company's shopping centre known as Thorncliffe Market Place.

Pursuant to this policy, the Company sold two high-rise residential sites in 1966 comprising in the aggregate approximately 9.5 acres on which three apartment buildings are presently under construction which will accommodate about 2,600 persons. In addition, during 1966 the Company sold two commercial sites with a total area of about 6.25 acres on which two office buildings are to be constructed. One of these buildings, which will contain approximately 150,000 square feet of floor space, is under construction and is scheduled for completion in July, 1967, and the other, which will contain approximately 113,000 square feet of space, is scheduled for commencement of construction prior to October, 1967.

Three industrial buildings aggregating approximately 60,000 square feet of floor area were completed by others during the year and construction was commenced on three further buildings which will be completed in 1967 and which will add more than 85,000 square feet of buildings to the development. The land on which these buildings are situate was sold by the Company in previous years.

The Company's remaining holdings in the Thorncliffe Park Development consist of the Thorncliffe Park Market Place and three parcels of land. One parcel, comprising about 8.5 acres, is undeveloped land fronting on Don Mills Road. The second parcel of approximately 9.94 acres is located on Overlea Boulevard at the eastern end of Thorncliffe Park and is presently zoned commercial. This second parcel is



**CANADIANWIDE PROPERTIES LIMITED****ANNUAL MEETING OF SHAREHOLDERS****PROXY STATEMENT**

This Proxy Statement is furnished in connection with the solicitation by the Management of CANADIANWIDE PROPERTIES LIMITED (the "Company") of proxies to be used at the Annual Meeting of Shareholders of the Company, to be held on April 29, 1966, and at any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. The cost of solicitation of proxies will be borne by the Company and the Management may use the services of its Directors, officers and employees to solicit proxies, personally or by telephone, and may request brokers, fiduciaries, custodians and nominees to send Proxy Statements and other material to their principals. Each proxy executed and returned by a Shareholder may be revoked at any time thereafter except as to any matter or matters upon which prior to such revocation a vote shall have been cast pursuant to the authority conferred by such proxy.

As at March 21, 1966, the Company had outstanding 1,980,000 shares with a par value of \$1 each. Every registered holder of a share of the Company at the time of the Meeting will be entitled to one (1) vote at the Meeting or adjournments thereof for each share so held and registered. The by-laws of the Company provide that a quorum at any meeting of shareholders is not less than two shareholders personally present and holding or representing by proxy not less than fifty per centum of the total number of the issued shares of the Company.

It is expected that the following business will be considered at the Meeting and action taken thereon.

*Election of Directors*

It is proposed to elect a Board of seven (7) Directors at the Meeting, each to hold office until the Annual Meeting of Shareholders next ensuing after their election or until their successors are elected or appointed. It is the intention of the persons named in the enclosed form of Proxy to vote such Proxy for the election of the nominees named below. If any of these nominees shall be unable to serve, which the Management does not now contemplate, the Proxy will be voted in accordance with the best judgment of the person acting under it.

The names of the seven (7) nominees (all of whom are presently Directors of the Company), their principal occupations or employments and the corporations or organizations by which they are employed and the principal business thereof, the period or periods during which they have served as Directors of the Company, and the numbers of the shares of the Company



beneficially owned by them, directly or indirectly, as at March 21, 1966, according to information furnished by them to the Company, are as follows:

<u>Nominee</u>	<u>Principal Occupation</u>	<u>Year First Elected Director</u>	<u>Number of Shares Beneficially Owned</u>
*CLARENCE H. ADAMS	Vice-President and Treasurer of the Company; Vice-President and Treasurer of National Equities, Inc.	1960	600
WILLIAM F. KOEGEL	Attorney	—	2
*CHARLES KORMAN	Proprietor, Korman Associates, commercial finance	1960	1
*MARVIN KRATTER	Chairman of the Board of the Company; President and Chairman of the Board of National Equities, Inc.	1960	1
ALBERT G. J. SCHILLINGER	General Manager of the Company	1965	1,245
*KENNETH M. SMITH	President of the Company; President of Kenneth M. Smith & Co. Ltd., glassware processor and distributor	1955	4,061
*JAMES M. TORY	Attorney	1963	100

(\*) Member of the Executive Committee.

Mr. Koegel was elected to the Board of Directors of the Company on March 19, 1966 to fill the vacancy created by the resignation of Erwin Millimet on January 8, 1966. During the past sixteen years, Mr. Koegel has been practising law as an associate and partner with the firm of Royall, Koegel & Rogers, New York City.

On March 21, 1966 Thorncrat Limited, an Ontario Corporation, owned of record and beneficially 1,685,200 shares (approximately 85%) of the Company's capital stock. All of the shares of Thorncrat Limited are in turn owned by National Equities, Inc., a New York corporation, which, on March 12, 1965, acquired certain of these shares and certain other assets from The Kratter Corporation. On the date of such acquisition National Equities, Inc. was a wholly owned subsidiary of The Kratter Corporation. On March 26, 1965 The Kratter Corporation distributed the shares of National Equities, Inc. to the shareholders of The Kratter Corporation and on May 10, 1965 The Kratter Corporation changed its name to Countrywide Realty Inc. As at March 21, 1966, Mr. Marvin Kratter beneficially owned 32,561 shares of National Equities, Inc., Mr. Adams beneficially owned 24 shares, Mr. Schillinger beneficially owned  $8\frac{8}{25}$  shares and Mr. Korman beneficially owned 4 shares; no other Director of the Company owned any securities of National Equities, Inc.

During the Company's fiscal year ended December 31, 1965, the aggregate remuneration paid by the Company to all its officers and directors as a group (10 persons), for services in all capacities was \$28,600. Erwin Millimet, a former director of the Company, was a partner of the firm of Stroock & Stroock & Lavan, New York City, to which firm the Company paid an aggregate of \$5,000 (United States funds) as fees for services rendered to the Company as United States counsel during the year ended December 31, 1965. In addition there is accrued to Tory, Tory, DesLauriers & Binnington, Toronto, of which firm James M. Tory is a partner, an aggregate of \$27,500 as fees for services as General Counsel for the Company during the year.

The Company paid to Countrywide Realty Inc. \$10,000 (United States funds) for management and consulting services rendered during the quarter ended March 31, 1965 and \$42,000 (United States funds) to National Equities, Inc. for management and consulting services rendered during the three quarters ended December 31, 1965, and in reimbursement of transportation and other expenses incurred on behalf of the Company.



On March 15, 1965, the Company loaned to National Equities Inc. \$1,000,000 (United States funds) bearing interest at the rate of 10% per annum, which amount was repaid by National Equities Inc. on April 28, 1965. The Company loaned on May 5, 1965 \$1,500,000 and on May 18, 1965 \$500,000 to Countrywide Realty Inc., both of which loans bore interest at the rate of 10% per annum and both of which were repaid on June 21, 1965 by Countrywide Realty, Inc. On June 21, 1965, the Company loaned National Equities, Inc. \$2,000,000 bearing interest at the rate of 10% per annum and this loan was repaid by National Equities, Inc. on November 17, 1965. Such loans were made as short term investments of excess funds.

On September 1, 1965, in order to meet general operating expenses, the Company borrowed \$250,000 (United States funds) from National Equities, Inc. bearing interest at the rate of 10% per annum and repaid the loan on October 25, 1965.

As at the date hereof there is no outstanding indebtedness between the Company and National Equities, Inc. or Countrywide Realty Inc.

As at December 31, 1964 there was outstanding \$3,514,440 of Company indebtedness which was guaranteed by The Kratter Corporation. This guarantee was released on November 26, 1965 when the Company repaid all indebtedness in respect of which the guarantee was given.

#### *Litigation*

During 1965 an action was commenced for the benefit of the Company in a United States court by a stockholder of the Company (on behalf of himself and all other stockholders of the Company) in which the Company, Countrywide Realty, Inc., and National Equities, Inc., certain present and certain former Directors of the Company were named as defendants. The Plaintiff claims damages in this action on the grounds that 1,000,000 common shares of the Company issued to Thorncrat Limited in August 1963 were issued for an inadequate consideration. The Company has been advised by counsel that in their opinion all the defendants named have an adequate defence to this action.

#### *Appointment of Auditors*

Ernst & Ernst have been Auditors of the Company since March, 1963.

The persons named in the accompanying form of Proxy intend to vote such Proxy in favour of the appointment of Ernst & Ernst to the office of Auditors of the Company, to hold office until the Annual Meeting in 1967 at a remuneration to be fixed by the Board of Directors, unless the Shareholder signing the Proxy specifies that it be voted against such reappointment. Ernst & Ernst are also the auditors for National Equities, Inc., Thorncrat Limited (the wholly-owned Ontario subsidiary of National Equities, Inc.) and Thorncliffe Realty (Leaside) Limited (the wholly-owned subsidiary of the Company).

It is intended that Ernst & Ernst will make an audit of a scope similar to that made by them on behalf of the Company as indicated in their Report to Shareholders dated February 24, 1966 set forth in the accompanying Annual Report.

The appointment of the Auditors of the Company will require an affirmative vote of at least a majority of the votes cast at the Meeting with respect thereto. Management recommends the appointment by the Shareholders of the Company of Ernst & Ernst as Auditors.

#### *Other Matters*

No vote is required and no vote will be taken with respect to the receipt by the Shareholders of the Company of the Annual Report, Financial Statements and Report of Auditors. As of the date of this Proxy Statement, the only business which the Management intends to present at the Meeting is that hereinabove set forth. If any other matter or matters are properly brought before the Meeting or any adjournment thereof, it is the intention of the persons named in the accompanying form of Proxy to vote the Proxy on such matters in accordance with their judgment.

JAMES M. TORY  
*Secretary*

DATED: April 14, 1966.





under a contract of sale which is conditioned upon the ability of the purchaser to obtain adequate rezoning for additional high rise apartments on or before June 30, 1967, failing which it may cancel the contract of sale and obtain a refund of all deposit moneys paid. The third parcel is a .9 acre church site in Thorncliffe Park.

As a result of the continuing increase in the number of people living and working in Thorncliffe Park, gross sales in the mall stores (other than the Sayvette department store and the Steinbergs food store) in the Thorncliffe Market Place increased by more than 17½% over gross sales in 1965. During 1966 six additional mall stores commenced business and it is expected that the few remaining mall stores not yet occupied will be leased in 1967.

In view of increasing sales by the Steinbergs store in Thorncliffe Market Place, the Company has agreed to enlarge the store by approximately 50%, and it is expected that this addition will be completed in August, 1967.

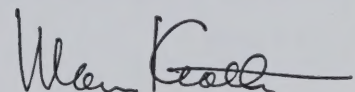
#### YONGE AND STEELES DEVELOPMENT

On June 30, 1966 the Company completed the enclosed mall addition to the shopping centre at Yonge and Steeles Avenue which is now known as Towne and Countrye Square. This addition contains approximately 86,000 square feet of net rentable retail area and 12,000 square feet of office space, bringing the total rentable area in Towne and Countrye Square to approximately 269,000 square feet of which about 90% is leased at the present time.

Sales of the new tenants in Towne and Countrye Square were fair in 1966 and sales of the Sayvette department store and the Super City Discount Foods store increased, largely as a result of the opening of the addition.

Notice of the annual meeting and proxy statement will be mailed to you shortly.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read "W. K. Groll", with a long horizontal flourish extending to the right.

*Chairman of the Board.*

# Canadianwide Properties Limited and Subsidiary

Consolidated

DECEMBER

## Assets

Cash .....		\$	243,303
Notes and accounts receivable:			
National Equities, Inc., affiliate—Note A .....	\$2,221,069		
Other accounts, less allowance of \$1,000 .....	104,069		2,325,138
Realty mortgages receivable—charges on land (previously sold) for services installed .....			21,924
Land held for improvement or sale—Note B .....			562,986
Developed properties (shopping centres)—on the basis of cost:			
Land .....	\$2,754,955		
Buildings .....	\$ 9,684,219		
Equipment .....	1,432,950		
	\$11,117,169		
Less allowances for depreciation .....	1,982,782	9,134,387	11,889,342
Prepaid expenses and other assets .....			170,824
			<u>\$15,213,517</u>

Approved on behalf of the Board:

C. H. Adams, Director

A. G. J. Schillinger, Director

See Notes to Consolidated



Balance Sheet  
December 31, 1966

Liabilities

Demand loan from bank (\$200,000 U.S.) .....	\$	216,750
Accounts payable and accrued expenses .....		172,936
Rents paid in advance and deposits .....		209,483
Estimated trunk sewer impost charges .....		5,976
Income taxes—estimated .....		880,000
TOTAL LIABILITIES .....	\$	1,485,145

DEFERRED TAXES ON INCOME—Note C .....		855,000
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SHAREHOLDERS' EQUITY

Capital stock:—Note D

Authorized 2,000,000 shares, par value \$1 each		
Issued and fully paid 1,980,000 shares .....	\$1,980,000	
Premium on issue of shares .....	8,665,455	
Earned surplus .....	2,227,917	12,873,372
		<u>\$15,213,517</u>

AUDITORS' REPORT

To the Shareholders,  
CANADIANWIDE PROPERTIES LIMITED.

We have examined the consolidated financial statement of Canadianwide Properties Limited and subsidiary for the year ended December 31, 1966. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and earned surplus present fairly the consolidated financial position of Canadianwide Properties Limited and its subsidiary at December 31, 1966, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 27, 1967.

ERNST & ERNST  
Chartered Accountants

# ***Canadianwide Properties Limited and Subsidiary***

## Statement of Consolidated Income and Earned Surplus YEAR ENDED DECEMBER 31, 1966

Gross rental income . . . . .	\$1,224,548	
Less operating expenses . . . . .	<u>266,723</u>	\$ 957,825
Sales of land . . . . .	\$2,088,673	
Less cost of land sold . . . . .	<u>1,110,866</u>	977,807
Interest earned (\$129,503) and miscellaneous income . . . . .		<u>130,581</u>
		\$2,066,213
Deduct:		
Administrative and general expenses (including \$850 remuneration of directors) . . . . .	\$ 229,763	
Interest . . . . .	<u>6,221</u>	235,984
INCOME BEFORE DEPRECIATION, AMORTIZATION AND OTHER NON-CASH CHARGES . . . . .		\$1,830,229
Depreciation, amortization and other non-cash charges:		
Depreciation of properties . . . . .	\$ 422,483	
Amortization of pre-opening expenses of shopping centres . . . . .	<u>26,527</u>	449,010
INCOME BEFORE TAXES ON INCOME . . . . .		\$1,381,219
Taxes on income, including \$55,000 deferred and \$125,000 prior year—estimated—Note C . . . . .		<u>880,000</u>
NET INCOME . . . . .		\$ 501,219
Earned surplus at January 1, 1966 . . . . .		<u>1,726,698</u>
EARNED SURPLUS AT DECEMBER 31, 1966 . . . . .		<u><u>\$2,227,917</u></u>

*See Notes to Consolidated Financial Statements.*



# ***Canadianwide Properties Limited***

## **Notes to Consolidated Financial Statement**

**DECEMBER 31, 1966**

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### **NOTE A—RECEIVABLE FROM NATIONAL EQUITIES INC.**

The amount stated includes demand notes for \$2,167,500 (\$2,000,000 U.S.) bearing interest at 10%.

### **NOTE B—LAND HELD FOR IMPROVEMENT OR SALE**

Land is stated at cost plus development and carrying charges appropriately adjusted for sales, transfers to developed properties and expropriations. Additional costs added during the year included carrying charges of \$21,044.

### **NOTE C—DEFERRED TAXES ON INCOME**

Taxes on income have been computed on the income of the Company in accordance with the provisions of the Income Tax Act. However, available capital cost allowance has been claimed in excess of depreciation recorded in the accounts and it is also the intention to claim certain costs deferred in the accounts. Deferred taxes will be applied as taxable income exceeds income recorded with respect to these items.

### **NOTE D—CAPITAL STOCK**

On March 22, 1963, by resolution of the Board of Directors, approved by the shareholders at a meeting held June 25, 1963, an option was authorized to an employee to purchase up to 1,500 shares of capital stock at \$4 per share exercisable to March 22, 1969.

The quoted price of the shares on March 22, 1963 was \$5 per share. No shares have been issued under this option.

## SALIENT DATA

EXECUTIVE OFFICES	<i>Thornccliffe Market Place, Toronto 17, Canada</i>
SHARES OF STOCK OUTSTANDING	<i>1,980,000 as of December 31, 1966</i>
LISTED ON THE TORONTO STOCK EXCHANGE	<i>Symbol CWL</i>
LISTED ON THE AMERICAN STOCK EXCHANGE	<i>Symbol CDW</i>
TRANSFER AGENT AND REGISTRAR (CANADA)	<i>Canada Permanent Trust Company, Toronto</i>
TRANSFER AGENT AND REGISTRAR (U.S.A.)	<i>The Bank of New York, New York</i>
AUDITORS	<i>Ernst &amp; Ernst, Toronto</i>
GENERAL COUNSEL	<i>Tory, Tory, DesLauriers &amp; Binnington</i>

## DIRECTORS

KENNETH M. SMITH	<i>director, president of the Company; president of Kenneth M. Smith &amp; Co. Ltd.</i>
CLARENCE H. ADAMS	<i>director, vice-president and treasurer of the Company; vice-president and treasurer of National Equities, Inc.</i>
MARVIN KRATTER	<i>director and chairman of the board of directors; president and chairman of the board of National Equities, Inc.</i>
WILLIAM F. KOEGEL	<i>director; member of the law firm of Royall, Koegel, Rogers &amp; Wells, New York City</i>
JAMES M. TORY	<i>director; secretary; member of the law firm of Tory, Tory, DesLauriers &amp; Binnington</i>
ALBERT G. J. SCHILLINGER	<i>director; general manager</i>

This report shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Canadianwide Properties Limited.